

[18 April, 2001]

RAJYA SABHA

international markets and sharp increase in the dollar exchange rate have led to high tariff of the power supplied by the Dabhol power project to the Maharashtra State Electricity Board (MSEB) and also of other similar projects in the country. Further, MSEB has to take power as per merit order dispatch on the directions of the Maharashtra Electricity Regulatory Commission. Hence, the actual purchase of power from the Dabhol project has been less than the contracted demand *i.e.* 90% Plant Load Factor (PLF). However, MSEB has to pay fixed capacity charge irrespective of actual dispatch.

(c) Does not arise.

#### **High Per Unit Price of DPC**

3578. SHRI NILOTPAL BASU: Will the Minister of POWER be pleased to state:

(a) whether Government are aware of the article "Lessons from Enron" published in the Hindu of 22nd January, 2001;

(b) if so, whether it is a fact that the price of Dabhol Power is high;

(c) if so, the price of a unit of power from DPC and that from other sources to Maharashtra State Electricity Board;

(d) whether it is a fact that Government is contemplating any move to come to the rescue of MSEB (and in turn, Dabhol) by recasting tax-policies and absorbing Dabhol Power; and

(e) if so, the details thereof and loss to Government arising therefrom?

**THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA):** (a) and (b) Yes, Sir.

(c) The typical values of cost of generation of power from where MSEB is drawing power from NTPC projects are given below:—

Sl. No.	Station	Generation cost (Paise/K Wh) 1998-99	Generation cost (Paise/K Wh) 1999-2000
1.	Korba STPP	53.23	53.85
2.	Vindhyachal STPP	84.95	99.27
3.	Kawas GPS	175.15	206.21
4.	Gandhar GPS	244.74	252.65

The Maharashtra State Electricity Board (MSEB) is purchasing power from Dabhol Phase-I project of M/s Dabhol Power Company (DPC) since its commissioning in May, 1999. The average cost of energy purchased from the Dabhol project from May, 1999 to March, 2000 works out to Rs. 4.67 per unit for purchase of 3780.62 million units (MU) at average Plant Load Factor (PLF) of 60.6%. From April, 2000 to December, 2000, the average cost of purchase works out to Rs. 6.19 per unit for purchase of 2617.90 MU at average PLF of 45%. The high cost of naphtha in the international market and increase in the dollar exchange rate have been the main reasons for the high tariff of the power supplied by the Dabhol Power Project to the Maharashtra State Electricity Board (MSEB). Further, MSEB has to take electricity as per merit order dispatch on the directions of the Maharashtra Electricity Regulatory Commission. Hence, the purchase of power from the Dabhol project has been less than the contracted demand i.e. 90% PLF. However, MSEB has to pay fixed capacity charge.

(d) The Government of Maharashtra (GOM), *vide* their resolution dated 9.2.2001, have constituted an Energy Review

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Committee under the chairmanship of Dr. Madhav Godbole, ex-Home Secretary, Government of India. The terms of reference of the Committee, *inter alia*, are as follows:-

- (i) To review the position of overall demand and supply of electric power in the State, with special reference to the supply of power by projects of independent power producers and purchase thereof by the MSEB for which Power Purchase Agreement (PPA) have either been signed or are proposed.
- (ii) To examine the cost of power supplied by the DPC and the distribution of power losses and its implications on the finances/tariff of MSEB.
- (iii) To review and reconsider the provisions of the PPA signed with the DPC after holding discussions with the said Company, the MSEB and related authorities and to suggest appropriate measures to facilitate purchase of the power produced by the DPC by other agencies/parties (including Government of India or their agencies).
- (iv) Negotiate with DPC on behalf with the State Government and MSEB for lowering of the tariff, capital cost and all other aspects of the DPC.

The final report of the Committee has been submitted to the Government of Maharashtra. At present, the Government has no proposals under consideration to review the tax policies or to absorb the power supplied by the Dabhol Power Project.

(e) Does not arise.

**Additional Allocation of Power to A.P.**

3579. SHRI SOLIPETA RAMACHANDRA REDDY: Will the Minister of POWER be pleased to state:

(a) whether Andhra Pradesh Government have requested the Union Government to arrange for additional allocation of 200 MW to the State;

(b) whether Union Government have approved the request in